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Hearing:
October 17, 2001

**THIS DISPOSITION
IS NOT CITABLE AS PRECEDENT
OF THE T.T.A.B.**

Paper No. 64
BAC

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Star Networks, Inc., substituted for Internet, Inc.
v.
Sprint Communications Company L.P.

Cancellation No. 22,034
and
Opposition No. 99,949

John K. Uilkema of Thelen, Reid & Priest LLP for Star
Networks, Inc., substituted for Internet, Inc.

Robert D. Hovey and Thomas H. Van Hoozer of Hovey,
Williams, Timmons & Collins for Sprint Communications
Company L.P.

Before Hairston, Chapman and Holtzman, Administrative
Trademark Judges.

Opinion by Chapman, Administrative Trademark Judge:

On July 23, 1993, Internet, Inc. filed a petition to
cancel Registration No. 1,780,896, issued July 6, 1993 to
Sprint Communications Company L.P. for the mark THE MOST
for "telecommunications services" in International Class
38, essentially based on a claim of priority and
likelihood of confusion. In May 1995, Internet, Inc.
filed a motion for leave to file an amended pleading

Cancellation No. 22034 & Opposition No. 99949

which relied on a broader range of petitioner's registrations and common law MOST marks, and a request to cancel an additional registration owned by the same company, Reg. No. 1,864,395, issued November 24, 1994, for the mark THE MOST WORLDWIDE (the term "worldwide" is disclaimed) for "telecommunications services, namely, telephone communications services" in International Class 38.¹

In a Board order dated October 8, 1996, the amended petition to cancel was allowed. The Board also noted that on December 29, 1995 petitioner had filed a notice of opposition against Sprint Communications Company L.P.'s application Serial No. 74/418,999 for the mark THE MOST FOR BUSINESS (the term "business" is disclaimed) for "telecommunications services, namely telephone voice communications services" in International Class 38, which is the subject of Opposition No. 99,949; and the Board consolidated these two inter partes proceedings -- Cancellation No. 22,034 and Opposition No. 99,949.

Petitioner/opposer will hereinafter be referred to as "Star Networks" or "petitioner" or "plaintiff"; and

¹ Petitioner's amended petition to cancel included status and title copies of seven pleaded registrations, making them of record pursuant to Trademark Rule 2.122(d)(1).

respondent/applicant will be referred to as "Sprint" or "respondent" or "defendant."

The Pleadings

Petitioner alleges it owns seven registrations and seven applications for marks which consist of or include the word MOST (paragraph 46 of petitioner's amended petition to cancel), and petitioner also alleges it owns twenty-seven common law marks, for example, MOST, MOST ATM, MOST Network, MOST THE FUTURE OF MONEY, MOST Go for the Green, MOST Books for Kids, MOST FOR YOUR MONEY, PAY WITH MOST, We're There When You Need Us. MOST, MOST CASH COUNTDOWN SWEEPSTAKES, MOST Authorization Processing Service, MOST Card Issuance & Management (paragraph 44), for a wide variety of goods and services, including, for example, banking services, financial services, electronic transfer of funds services, electronic processing of data, switched data services, transmission of data between remote locations, telecommunications services, automated teller machines, credit card services, computer discs, software for petitioner's various services, publications, and promotional items such as caps, pens, mugs, key rings, candy, toys, decals and flashlights (paragraph 45); that petitioner, through its predecessor, EFT Group, Inc., first used the mark MOST on banking

services, namely electronic funds transfer in 1982, and petitioner has used the mark MOST in connection with its goods and services since long prior to respondent's first use of its marks on its services; that "through contractual arrangements with Bell Atlantic and AT&T, Petitioner maintains a managed communication network via TI (sic--T-1) service for the transport of voice and data telecommunications on behalf of its customers under a program marketed under the mark MOST" (paragraph 34); that "petitioner, in a continual update and natural expansion of its services initiated in 1982, through its predecessor, uses the mark MOST on and in connection with a variety of telecommunication products and services" (paragraph 40); and that respondent's marks, when used in connection with its services, so resembles petitioner's previously used common law service marks and trademarks, as well as petitioner's registered marks, as to be likely to cause confusion, mistake, or deception.

Further, petitioner alleges as grounds in this consolidated cancellation and opposition that respondent commenced use of the mark THE MOST for telecommunications services on or about June 1, 1992, and subsequent thereto respondent commenced use of THE MOST FOR BUSINESS and THE MOST WORLDWIDE to build on the name THE MOST; that

respondent's telecommunications services include switching of data between remote locations; that in or around October 1992 respondent contracted with MBNA America Bank, N.A. to promote respondent's residential and calling card services under THE MOST mark; and that in 1993 and 1994 respondent marketed a Sprint enhanced MBNA credit card and an enhanced VISA and/or MASTERCARD (including a Sprint FONCARD number).

In respondent's answer to the amended petition to cancel (filed after the Board consolidation order²), it admitted several of the pleaded facts about respondent's business, including that it contracted with MBNA America Bank, N.V.; that it initiated use of the mark THE MOST on or about June 1, 1992; that use of its other two involved marks was initiated later to build on the name THE MOST; and that respondent filed three applications (two now being registrations). Respondent also admitted that "LATA is an abbreviation for Local Area Transport Area and designates a geographic area or network within which communication services may be provided"; that "Inter-LATA designates long distance communication connections

² Sprint had filed a separate answer to the notice of opposition. In that answer Sprint generally admitted essentially the same matters as described above, and denied the remaining salient allegations, and did not raise any affirmative defenses.

between one or more LATA networks"; that "Registrant has provided and continues to provide communication services via LATA and inter-LATA networks using the marks THE MOST, THE MOST FOR BUSINESS and THE MOST WORLDWIDE in connection therewith"; and that "T-1 service refers to a high capacity digital circuit capable of handling 1.54 million bits per second." (Paragraphs 25, 26, 28 and 31.)

Respondent otherwise denied the salient allegations of the pleading. Further, respondent alleged the affirmative defenses that petitioner is estopped by laches and is estopped by acquiescence from seeking cancellation of the two involved registrations.

In the briefs on the case, petitioner argued and respondent acknowledged that under the du Pont³ factor "market interface between applicant and the owner of a prior mark--(a) a mere "consent" to register or use, (b) agreement provisions designed to preclude confusion, (c) assignment of mark and good will, and (d) laches and estoppel attributable to owner of prior mark" there is no relevant evidence of record for consideration under this factor. (Petitioner's brief, p. 48-49, respondent's brief, p. 26.) Accordingly, respondent's estoppel by

laches and estoppel by acquiescence defenses will not be further considered herein.

The Time For Trial

As noted previously, the petition to cancel was filed on July 23, 1993, and the notice of opposition was filed December 29, 1995; and the two cases were consolidated by Board order dated October 8, 1996. Discovery closed in the consolidated cases on August 10, 1998. Star Networks' (plaintiff) testimony period closed on November 8, 1998; Sprint's (defendant) testimony period closed on March 8, 1999; and plaintiff's rebuttal testimony period closed on

³ In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

April 22, 1999. Plaintiff's brief was filed in August 1999, defendant's brief in February 2001 and plaintiff's reply brief in May 2001. An oral hearing was held before the Board on October 17, 2001, at which both parties were represented.

The Record

The record consists of the pleadings; the files of both of respondent's involved registrations and the file of its involved application; and petitioner's notice of reliance on the discovery depositions, with exhibits, of the following eight people⁴:

- (1) David A. O'Connor, president and CEO of Internet, Inc. (petitioner Star Networks' predecessor), (taken by respondent on September 27, 1994),
- (2) Mary Addis Kilby, vice president in charge of marketing of Internet, Inc., (taken by respondent on September 28, 1994),
- (3) Richard G. Lyons, Jr., executive vice president and COO of Internet, Inc., (taken by respondent on May 24, 1995),
- (4) Paul Golden, respondent's assistant vice president of marketing for the consumer services group, (taken by petitioner on December 14, 1994),

⁴ The parties stipulated that discovery materials and discovery depositions taken in either the cancellation or the opposition proceeding may be relied on and/or offered into evidence by either party in the consolidated proceeding. (See the parties' stipulation filed April 11, 1997, and acknowledged by the Board in an order dated May 30, 1997.)

- (5) Ron Shults, respondent's director of applications marketing, (taken by petitioner on December 15, 1994),
- (6) Roy Van Buskirk, respondent's major account executive, (taken by petitioner on May 24, 1995),
- (7) Darcie L. Roberts, a third-party witness--an employee of MBNA America Bank, N.A.⁵, (taken by petitioner on May 25, 1995), and
- (8) Mark E. Foulsham, a third-party witness--group administration manager with MBNA America Bank, N.A., (taken by petitioner on May 25, 1995).

In addition, petitioner submitted a notice of reliance on (i) certain of respondent's responses to petitioner's first and second sets of interrogatories, respondent's supplemental responses to certain requests for admission and one interrogatory, (ii) the file histories of petitioner's application Serial Nos. 74/374,632 and 74/614,111, and (iii) reference to six of petitioner's seven pleaded registrations; and respondent submitted a notice of reliance on certain of its other answers to petitioner's first set of interrogatories and requests for admissions, as well as its supplemental responses to two of petitioner's interrogatories.

As Mr. David O'Connor testified, "It's a very dynamic time in this industry....", p. 136. Nonetheless,

⁵ Darcie L. Roberts' job title was not set forth in the deposition transcript.

neither party took any trial depositions (in 1998 or 1999). Rather, the depositions submitted as evidence herein were all discovery depositions taken in 1994 and 1995. Thus, the information and numbers in this case reflect that fact, both in terms of their lack of being current in relation to this decision, and also, that the witnesses were not particularly forthcoming or specific with their information, but instead were somewhat vague and ambiguous.

There was a significant amount of material submitted into the record as "confidential" (including portions of various discovery depositions and several exhibits associated therewith). However, on August 16, 1999 (the same day petitioner submitted its brief), petitioner filed a "notice of withdrawal of petitioner/opposer's designation of confidentiality" in which petitioner stated the following: "With the passage of time [it has been more than seven (7) years since the Petition for Cancellation was filed against Registration 1,780,896], Petitioner/Opposer has determined that there is no longer a need for maintaining the confidentiality designation of any testimony or documents so designated and hereby, pursuant to paragraph 9 of the Protective order, cancels

and withdraws any prior designation of confidentiality and consents to disclosure of such information beyond the terms of the Protective Order."

Accordingly, this record is now considered public in its entirety, with no confidential material involved.

Next we will discuss petitioner's seven pleaded registrations. Petitioner submitted status and title copies of the following seven pleaded registrations along with its amended petition to cancel (paragraph 47):

(1) Reg. No. 1,268,752, for the mark MOST for "banking services, namely, electronic funds transfer" in International Class 36⁶;

(2) Reg. No. 1,375,059, for the mark shown below



for "banking services, namely, electronic funds transfer services and electronic processing and transmission of point of sale payment data between merchants and customers accounts" in International Class 36⁷;

(3) Reg. No. 1,375,061, for the mark shown below

⁶ Reg. No. 1,268,752, issued February 28, 1984, Section 8 affidavit accepted, Section 15 affidavit acknowledged. The claimed date of first use is July 3, 1982.

⁷ Reg. No. 1,375,059, issued December 10, 1985, Section 8 affidavit accepted, Section 15 affidavit acknowledged. The



for "banking services, namely, electronic funds transfer services and electronic processing and transmission of point of sale payment data between merchants and customers accounts" in International Class 36⁸;

(4) Reg. No. 1,576,804, for the mark shown below



for "electronic funds transfer services" in International Class 36⁹;

(5) Reg. No. 1,814,051, for the mark MOST for "financial services, namely, providing and facilitating electronic funds transfer and debit transactions for banks, professional offices, and retail merchants" in International Class 36¹⁰;

claimed date of first use is October, 1982. The lining in the drawing represents the color green.

⁸ Reg. No. 1,375,061, issued December 10, 1985, Section 8 affidavit accepted, Section 15 affidavit acknowledged. The claimed date of first use is October 1982.

⁹ Reg. No. 1,576,804, issued January 9, 1990. The claimed date of first use is May 1988. The term "pos" is disclaimed. (This registration, however, was cancelled under Section 8 of the Trademark Act in 1996 and will not be given further consideration.)

¹⁰ Reg. No. 1,814,051, issued December 28, 1993, Section 8 affidavit accepted, Section 15 affidavit acknowledged. The claimed date of first use is July 1982.

(6) Reg. No. 1,824,377, for the mark MOST for "publications, namely, newsletters and user manuals for banking communication networks" in International Class 16¹¹; and

(7) Reg. No. 1,880,811, for the mark MOST for "business management services, namely, computerized management of payment systems, transfer of value systems and supporting data related thereto" in International Class 35¹².

Although petitioner's notice of reliance referred to only six of those registrations (not including its registration for publications in International Class 16), we have considered all seven registrations which are of record herein.

Burden of Proof

Star Networks, as plaintiff in the petition to cancel and in the opposition, bears the burden of proving, by a preponderance of the evidence, its asserted ground of priority and likelihood of confusion. See *Cerveceria Centroamericana, S.A. v. Cerveceria India Inc.*, 892 F.2d 1021, 13 USPQ2d 1307 (Fed. Cir. 1989); and

¹¹ Reg. No. 1,824,377, issued March 1, 1994, Section 8 affidavit accepted, Section 15 affidavit acknowledged. The claimed date of first use is 1988.

Cunningham v. Laser Golf Corp., 222 F.3d 943, 55 USPQ2d 1842, 1848 (Fed. Cir. 2000).

The Parties

Around 1980 about a half dozen banks organized the EFT Group, Inc. (EFTG) and another half dozen banks organized the Network Exchange (NE). In 1982, EFTG first adopted and used the mark MOST in connection with processing banking transactions on automated teller machines. In 1984, with about 30 banks each, the two companies merged forming Internet, Inc. (the entity, located in Virginia, which filed the original and amended petitions to cancel and the notice of opposition). During the ten years from 1982 to 1992 the MOST automated teller system expanded to process transactions with links to merchants and credit card companies; and the underlying network system behind ATM transactions enabled the original applications for electronic funds transfer to go beyond ATMs and into a variety of electronic transactions services, such as remote shopping, bill paying, and the like to meet the needs of merchants, small businesses and corporations. That is, from the first ATM transaction in 1982, petitioner "has expanded

¹² Reg. No. 1,880,811, issued February 28, 1995, Section 8 affidavit accepted, Section 15 affidavit acknowledged. The claimed date of first use is July 1982.

its products and services to offer a full selection of EFT services, including MOST ATM and POS [point of sale]¹³ network access, gateways to national networks, processing services and merchant support."¹⁴ (Brief, p. 14.)

By 1995 Internet, Inc. had grown to include about 530 members, all being financial institutions, specifically, banks, credit unions and savings and loans.¹⁵ Petitioner's MOST network serves the 530 member financial institutions and 15.5 million cardholders through its over 8,000 MOST automated teller machines and MOST point of sale devices located in Maryland, D.C., Virginia, Tennessee, West Virginia, Pennsylvania, New Jersey, Delaware, North Carolina, Georgia, Kentucky, Arkansas, Mississippi and California. In addition, there are some nationwide retailers who accept Internet, Inc.'s MOST credit/debit card under its credit card program.¹⁶

¹³ Petitioner's MOST point of sale pilot was launched at a Safeway store in Germantown, Maryland in 1988.

¹⁴ Petitioner's headquarters is in Reston, Virginia, and its host station (mainframe computer) is located in Milwaukee, Wisconsin. Petitioner has a contract with a data processing company in Milwaukee to operate the software and maintain the computers and run the switching function. (See e.g., O'Connor dep., pp. 43 and p. 138)

¹⁵ In Internet, Inc.'s words, it "manages the fifth largest ATM and POS network in the country known as the MOST network." (Van Buskirk dep., exhibit 3, Management Summary, p. 1 of Internet, Inc.'s Request for Proposal.)

¹⁶ According to statements in plaintiff's brief (p. 1), effective January 1, 1997, Internet, Inc. merged with Alabama Network, Inc. and into Southwest Switch, Inc. under the name

Petitioner's services flow over leased telephone/transport lines, and its current lease contracts are with AT&T and Bell Atlantic. Respondent bid unsuccessfully on petitioner's 1992 Requests for Proposals on leased line services (Van Buskirk dep., exhibit No. 10) and for equipment and network management services (Van Buskirk dep., exhibit No. 9).

Plaintiff conducts advertising for its services offered under the mark MOST that is directed to its member financial institutions, and it also does radio, television and outdoor advertising directed to the ultimate consumer. In order to obtain more member institutions petitioner engages a direct

Honor Technologies, Inc., with all marks assigned to Honor Technologies, Inc.; and on May 17, 1999 Honor Technologies, Inc. changed its name to Star Networks, Inc.

sales force, direct mailings, and exhibits at regional and national trade shows for the banking and financial community (e.g., American Bankers Association, Bank Administration Institute), and retailer trade shows (e.g., grocery retailers). Petitioner spent \$14.4 million on advertising from 1989 - 1993; and its 1994 budget for advertising was \$3.8 million. Petitioner's sales are to banks or through banks not to retail consumers. (O'Connor dep., p. 154.)

In October 1992 Internet, Inc. launched a Private Financial Network (PFN) for its members. Internet, Inc. described the PFN in its April-May 1993 newsletter as follows (O'Connor deposition, exhibit No. 23):

Internet recently introduced a new service that gives members a powerful telecommunications alternative: The Internet Private Financial Network (PFN). The result of a partnership of Internet, Bell Atlantic and AT&T, the PFN is the first shared telecommunications program designed specifically for financial institutions.

The PFN accommodates voice and data communications, imaging, and local area networks, providing a cost savings of up to 20-25% over standard telecommunications pricing. It is ideally suited for financial institutions with branches or offices in multiple geographic locations, supporting such applications as branch

platform, teller terminal, ATM,
PBX systems, security and LAN
communications.

This PFN is available only to the financial institutions that belong to Internet, Inc.; it is not marketed to or available to the general public.

Sprint (respondent) is a major telephone or voice communications company. It commenced use of the mark THE MOST in connection with telecommunication services on or around June 1, 1992. The services offered under the mark THE MOST were directed to residential long distance telephone customers. Subsequently, on July 1, 1993 respondent began use of THE MOST FOR BUSINESS, and this program was targeted to small businesses spending less than \$2000 a month on their voice and data communications (e.g., voice services-outbound or 800, data communication, audio conferencing). THE MOST WORLDWIDE program was also launched in July 1993, and it was targeted to residential customers who spend over \$20 per month making calls from the United States to international locations.

Sprint's services are advertised in national and spot television ads, and print, and by direct mail and telemarketing. (The actress Candice Bergen appeared in the initial advertisements for THE MOST.) In addition,

current customers of Sprint receive communications and newsletters regarding its THE MOST products and services. Advertising expenditures by respondent for THE MOST marks were \$40 million in 1992, \$67 million in 1993, and \$23 million in 1994. According to Mr. Paul Golden, respondent's assistant vice president of marketing, respondent was not advertising the mark THE MOST in late 1994, having "temporarily discontinued" such advertisements. (see generally, dep., pp. 55-57.)

Respondent's sales under THE MOST marks went from \$130 million in 1992, to \$464 million in 1993, \$200 million in 1994, \$845.8 million in 1995, \$497.1 million in 1996, and \$253.8 million in 1997 (through October).¹⁷

In October 1992, respondent entered into both an "affinity agreement" (Foulsham dep., exhibit No. 3) and a "phone services agreement" (Foulsham dep., exhibit Nos. 1 and 2) with MBNA America, N.A. (MBNA).

"Affinity programs" are partnerships or co-marketing programs whereby Sprint deals with a company or organization or some sort of membership group that has an affinity towards that organization. For example, Sprint also has a co-marketing arrangement with USAA (an

¹⁷ The later sales figures (1995-1997) were provided by respondent through its supplemental response to petitioner's

insurance and mutual funds business open to U.S.
military) whereby Sprint offers a special rate or a
special program for long-distance service to members of
USAA. (Golden dep., pp. 39-40.)

interrogatory No. 11, which was made of record by respondent's
notice of reliance.

These agreements are intended to promote respondent's residential calling card services under the mark THE MOST, and under the contract MBNA marketed a SPRINT enhanced MBNA credit card in connection with services provided under the mark THE MOST, and an enhanced VISA and/or MASTER CARD (with a SPRINT FONCARD number appearing on the credit card). The credit cards carry the name SPRINT, and MBNA, and VISA or MASTER CARD. The mark THE MOST does not appear on the card, although the mark is referenced in the advertisements for the enhanced credit card.

Standing

The status and title copies of several of plaintiff's pleaded registrations (for the marks MOST and MOST and design), submitted with the amended petition to cancel establish plaintiff's standing. See *Cunningham v. Laser Golf Corp.*, 55 USPQ2d supra at 1844; and *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). Respondent did not contest petitioner's standing.

Priority

In view of plaintiff's ownership of valid and subsisting registrations for the marks MOST and MOST and design, the issue of priority does not arise in the

opposition. See King Candy Company v. Eunice King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108 (CCPA 1974); and Massey Junior College, Inc. v. Fashion Institute of Technology, 492 F.2d 1399, 181 USPQ 272, at footnote 6 (CCPA 1972).

With regard to the cancellation proceeding, although the petitioner owns a registration, priority must be proven. See Brewski Beer Co. v. Brewski Brothers Inc., 47 USPQ2d 1281, at 1283-1284 (TTAB 1998). In this case, petitioner has established use (through a predecessor--EFTG) of the mark MOST on banking services, namely, electronic funds transfer since 1982, which is well before respondent's proven use of the mark THE MOST in June 1992. Thus, for the purposes of the cancellation, petitioner has established priority with respect to the marks MOST and MOST and design for the goods and services recited in its pleaded registrations.

Also, in these consolidated proceedings, as explained earlier, plaintiff alleged common law rights in twenty-seven "MOST" marks (e.g., MOST, MOST Workstation, PAY WITH MOST, MOST Go for the Green, MOST Books for Kids, MOST FOR YOUR MONEY, We're There When You Need Us. MOST, MOST CASH COUNTDOWN SWEEPSTAKES, MOST Authorization Processing Service) for a wide variety of goods and

services, including telecommunications services. Petitioner is restricted to rights in each of its asserted common law marks for the goods and/or services on which petitioner proves it uses each common law mark. Priority as to each specific alleged common law mark and in relation to specific goods and/or services with which each mark is used must be established by a preponderance of evidence.

Aside from the services identified in the claimed registrations, petitioner has failed to prove common law rights in the twenty-seven alleged common law marks for any of the goods and services alleged in the amended petition to cancel. While there is an occasional reference in the exhibits or the discovery depositions of petitioner's employees to one or another of the asserted common law marks¹⁸, there is no evidence of specific prior

¹⁸ Regarding petitioner's claimed common law rights in numerous marks, we specifically note that in the discovery depositions of petitioner's three employees, respondent's attorney did not question the witnesses regarding petitioner's various claimed common law marks. Rather, the witness might mention one of the marks occasionally, and without reference to proof of either specific dates of continuous use, or the specific goods and/or services on which petitioner used the mark. See e.g., the Kilby dep., pp. 40-41:

Q. What are "our services?"

A. We are currently - our current campaign is called "The Future of Money," and targets a platform of services that will be available to the consumer, starting with ATMs, point of sale, moving into home banking and all of the remote

and continuous use of any of petitioner's asserted common law

marks, except for use of the registered mark MOST, and, except for the services identified in the registrations for MOST.

That is, there is no evidence of the specific services or goods on which such common law marks might be used. Rather, the discovery testimony taken of petitioner's officers and employees relates to the registered marks MOST and MOST and design. Because petitioner has not proven that it has used and continues to use each of the twenty-seven claimed common law marks for the specific services and goods set forth in the amended petition to cancel, clearly it has not established priority with regard thereto. See *Towers v. Advent Software Inc.*, 913 F.2d 942, 16 USPQ2d 1039 (Fed. Cir. 1990); and *Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40 (CCPA 1981).

Inasmuch as petitioner has not proven use of its common law marks petitioner's twenty-seven asserted common law marks will not be further considered herein.

financial information services that will be coming and are in development now.

Likelihood of Confusion

Our determination of this issue is based on an analysis of all the probative facts in evidence that are relevant to the factors bearing on likelihood of confusion. See *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). The factors deemed pertinent in this proceeding now before us are discussed below. See *Cunningham v. Laser Golf Corp.*, 55 USPQ2d, *supra* at 1844-1845.

The first du Pont factor we consider is the marks, and we must analyze the similarities/dissimilarities as to sound, appearance, connotation and commercial impression. Our analysis of this factor encompasses respondent's two registered marks, THE MOST and THE MOST WORLDWIDE, and its applied-for mark, THE MOST FOR BUSINESS, vis-a-vis petitioner's six registered marks, MOST and MOST and design.¹⁹

The term MOST is the dominant feature of all of these marks. Specifically, the only word in petitioner's registered marks is MOST, and all three of respondent's

¹⁹ As explained earlier, (i) one of petitioner's seven pleaded registrations has been cancelled (see footnote 9), and (ii) petitioner failed to prove rights in twenty-seven claimed common law marks. Moreover, in its brief petitioner argued the issue of the similarities/dissimilarities of the marks referring only to its MOST mark, without reference to its numerous asserted common law marks.

involved marks include THE MOST as the entire mark or as the beginning of the mark, making it the dominant feature of respondent's three marks, THE MOST, THE MOST WORLDWIDE and THE MOST FOR BUSINESS. See Sweats Fashions Inc. v. Pannill Knitting Co., 833 F.2d 1560, 4 USPQ2d 1793, 1798 (Fed. Cir. 1987); and In re National Data Corporation, 753 F.2d 1056, 224 USPQ 749, 752 (Fed. Cir. 1985).

Of course, there are obvious differences between petitioner's six registered marks and the three involved challenged marks, specifically that the term "THE" is part of each of respondent's marks; that two of respondent's marks include other words "worldwide" and "for business" (with "worldwide" and "business" disclaimed); and that two of petitioner's registered MOST marks include a rectangular design. Despite these differences, we find the marks are similar in sound and appearance.

However, we cannot agree with petitioner that the marks all "have the same general connotation." (Brief, p. 45.) Petitioner's mark, MOST, in relation to petitioner's banking and financial services, simply connotes the greatest in number. Whereas, in respondent's marks, the addition of the word "THE" adds an element of singularity, relating to something that is

incomparable and superior. In addition, two of respondent's marks include other wording referring to "FOR BUSINESS" and "WORLDWIDE" respectively. Thus, the connotation of respondent's marks in relation to telecommunication or telephone services is slightly different from the connotation of petitioner's marks. Overall, we find the factor of the similarities/dissimilarities of the marks favors petitioner.

We consider next the du Pont factor of the similarity or dissimilarity and nature of the goods and/or services. Respondent's two registrations are for "telecommunications services," and "telecommunications services, namely, telephone communications services," respectively; and its application is for "telecommunications services, namely, telephone voice communications services."

Petitioner asserted one registered mark for MOST for goods, specifically, "publications, namely, newsletters and user manuals for banking communication networks". Petitioner's registered service marks for MOST or MOST and design cover "banking services, namely, electronic funds transfer"; "banking services, namely, electronic funds transfer services and electronic processing and

transmission of point of sale payment data between merchants and customers accounts"; "financial services, namely, providing and facilitating electronic funds transfer and debit transactions for banks, professional offices, and retail merchants"; and "business management services, namely, computerized management of payment systems, transfer of value systems and supporting data related thereto."²⁰

Respondent essentially contends that petitioner is in the banking and financial business, and that petitioner and its members communicate with one another through a network which is not available to the public; that merely because petitioner transmits information and data over leased telephone lines does not put petitioner in the business of offering telecommunications services to its customers; and that petitioner's various electronic funds transfer services are banking and financial services the same as rendered by any bank and would not be associated with respondent's telecommunications/telephone communications services.

²⁰ Internet, Inc.'s president, David O'Connor, characterized the company as follows: "[Internet's] members are in the financial services business and we are in the information management business"; and he explained the "two tools that you use in the management of information; data processing and telecom." (O'Connor dep., pp. 141 and 194.)

Petitioner, on the other hand, essentially contends that electronic funds transfer processing (petitioner's original services) grew and expanded from automated teller machine transactions for banks and financial institutions to information processing, with petitioner a leading information service provider, managing all transaction activities for member banks, small businesses, professionals and consumers; that petitioner is not strictly in the banking and financial business, but rather is in the information management business; that petitioner's business has three layers, namely, the banks and financial institutions, the merchants and corporate members who are customers of the banks and financial institutions, and the ultimate card carrying consumers, i.e., the general public; and that petitioner's services evolved from the first electronic funds transfers in the early 1980s to the full range of the electronic delivery system (e.g., remote banking, remote bill paying, remote shopping, point of sale devices in stores), all supported by the telecommunications network petitioner has established to provide telecommunications services for banks, merchants, small businesses and individuals.

Petitioner specifically emphasizes the following wording in its identifications of goods and services for its registered marks as indicative that it is and has been in the telecommunications business:

"publications, namely, newsletters and user manuals for banking communication networks"; "banking services, namely, electronic funds transfer services and electronic processing and transmission of point of sale payment data between merchants and customers accounts"; and "business management services, namely, computerized management of payment systems, transfer of value systems and supporting data related thereto."

Clearly, the meaning of "telecommunications services" is an important factual issue in this case. Petitioner submitted a photocopy of a Nexis printout of 47 USCS §702, referred to as the Telecommunications Act of 1934 as amended (1994), wherein the definition of "telecommunication" is listed as "any transmission, emission, or reception of signs, signals, writings, images, and sounds or intelligence of any nature by wire, radio, optical, or other electromagnetic systems." (Golden dep., exhibit No. 6). In addition, respondent admitted petitioner's requests for admission that "tele" means "at a distance," and that "communication" means "an

exchange of information." (Request for admission Nos. 100 and 101.)

Respondent does not disagree with either the Telecommunications Act definition of the term, or the dictionary definitions of the dissected separate parts of the word. Rather, respondent simply contends that petitioner is not in the telecommunications business and that respondent is not in the banking or financial business.

As stated earlier, the burden of proof is, of course, on petitioner. In terms of the record offered in this case, petitioner was vague and ambiguous with respect to whether it offers telecommunications services to others or whether it merely utilizes a telecommunications network to support its actual services in the banking and financial industry. There is no question that banking and financial interactive communications have changed and evolved from the 1980s to now, going from electronic funds transfer, to automated teller machines, to remote bill paying and shopping. However, this record does not clearly establish how petitioner is separately and specifically engaged in the telecommunications business, and how its various banking

and financial and business management services are related to the telecommunications services of respondent.

Typical examples of the nature of the discovery deposition testimony of petitioner's employees is set forth below, showing the testimony regarding petitioner's involvement in offering telecommunications services is vague, often referencing its alleged telecommunications services as merely supporting petitioner's various banking and financial services, such as electronic funds transfer, and even stating there is a "fuzziness" involved.

David O'Connor, president and CEO of Internet, Inc., testified generally about the evolution of the banking industry from manual operations to punch cards to coaxial cable and moving into the future (see e.g., dep., pp. 16-19); and he testified more specifically about petitioner's alleged telecommunications services and its customers as follows:

Q. Now when you talk about customers of Internet, are you talking about financial institutions?

A. Yes, sir.

Q. How do you identify those people out there who are, in turn customers of the financial institution? They aren't really customers of Internet, are they?

A. We are the support mechanism for the financial institution to support their retail customer.

Q. All right, so your Internet is a support organization that services its owners and member financial institutions?

...(objection discussion omitted)

Q. Consider that a question. Is Internet a support organization?

A. I guess my only concern with giving that a simple answer is that it bears a little bit more reflection because it sort of connotes a much more narrower role in terms of what we play.

Fundamentally, I can't disagree with the statement because we provide services of a variety of dimensions to the banks which they in turn utilize to support their customers. So, we -- in general terms, that's an accurate statement. (dep., pp. 24-26)

Q. Is Internet in the same business as Sprint, as you understand it?

A. I think there is a question of overlapping business.

Q. Where do you see that overlap?

A. Obviously in the communications field, the use of transport services and the management of the transport services and packaging, the ability to move information.

Q. Are you -- is Internet a licensed carrier by the FCC?

A. No, sir.

...

Q. And is Internet in the business of operating telephone lines from one place to another?

A. In terms of operating, meaning maintaining?

Q. Operating and maintaining telephone lines that they own?

A. Well, we don't own any per se, so the answer would be no.

...

Q. Would you regard Sprint -- and you used this term -- as a transport provider?

A. Yes.

Q. In the sense that they own and operate and maintain telecommunications lines from one place to another?

A. Yes, sir.

Q. Okay. And those lines would be used by anyone who is connecting up EFTs, or POS, or ATMs; is that correct?

A. Which lines?

Q. The telecommunications lines from one point to another.

A. That we would lease?

Q. No, like the lines like Sprint owns. Those lines would be a necessity to anyone who is going to conduct an ATM or a POS operation?

A. Yes, I believe that's the case.

...

Q. Is it true that all of your customers are in the financial services business?

A. Yes, sir. (dep., pp. 84-86)

When asked to explain what petitioner means by the identification of services in its pending application Serial No. 74/374,632 (suspended at the Trademark Examining Operation), "telecommunications services, namely, managing communication systems for banks, professional offices, and retail merchants related to transfer of value, payments, and supporting data," Mr. O'Connor explained that petitioner is managing communications systems in that it is "creating configurations of lines and the necessary mechanisms to

support and monitor those lines, network management facility." (dep., p. 123.) He also explained that petitioner's customers are banks and financial institutions, which in turn sell banking services to professional offices (i.e., doctors, dentists, small businesses).

As Mr. O'Connor's discovery deposition progressed, he was again questioned regarding Internet's specific involvement in telecommunications services, and he testified as follows:

Q. You are not in the telecommunications business like Sprint is as a transport carrier?
A. There is a certain fuzziness in there. And I think that's where the difficulty is and where - I don't think that we can reach perfect clarity because the communications business is kind of like the banking business. The banking business is not like any other business on earth, either, because it encompasses the payment function....(p. 128)

Q. Would you expect a bank customer, being presented with this package that you just described [a package of financial services with communications support], would think that the bank owned the telecommunications facilities?
A. I would assume that he would not believe that to be the case.
Q. And the banks know that you don't own telecommunications facilities, but that rather you

lease lines and package them and make them available to the bank?

A. That's generally the case. And there are instances where we own pieces of the network.

Q. But your banks understand that you are not in the hardline carrier business?

A. We are not competing with Sprint.

Q. Okay.

A. And don't want to compete with Sprint. (pp. 131-132)

Q. So, at this juncture [around 1991], it was called a shared telecommunication network time line?

A. Yes.

Q. Did this later become called a PFN?

A. There is a little fuzziness as to how PFN was going to be utilized and what portions of the telecommunications activities was going to be labeled the PFN versus a broader shared telecommunication activity.

So, it's not a clean definition because it was an evolving process.

Q. Before you undertook this - as you call it, expansion - did Internet emphasize their telecommunications services?

A. I'm not sure-"emphasize" is a very funny word.

Q. Well, did they advertise, promote, market the telecommunications services or a Private Financial Network?

A. As part of the support for the other services, yes.

Q. But not as such?

A. But not as a unique communications product.

(dep., pp. 157-158)

Q. ... Have you ever experienced someone coming to Internet solely for the purpose of buying telecommunications services?

A. No, sir. (dep., p. 178)

Q. And-but do you feel that the banks, as your customers, are primarily in the telecommunications business?

A. No, sir.

Q. Do you feel that Internet is primarily in the telecommunications business?

A. I think that telecom is one of the basic kinds of support that we provide to our members.

Q. And would that not be true of any business that use telecommunications in some manner to carry on their business?

A. No, sir. You are suggesting that someone running a canal boat is not dependent on the water. We are a canal boat depending on the water and telecommunications is the water. And that's very different from any other business, from a law firm to McDonald's utilization of telecommunications as a management tool or a communication tool. But this is fundamental to our function. (dep., p. 192)

Mary Addis Kilby, vice president of marketing at Internet, Inc., testified as follows:

Q. The question is whether Internet was considered to be in the telecommunications business?

...(discussion between counsel omitted)

A. If telecommunications is voice telephone services, then they [Internet] were not involved in that; but telecommunications is -- in the broad sense has always been a

very basic part of the service that is delivered to the financial institutions. It's part of the definition of the network.

Q. Do you ever recall anyone ever coming to Internet to purchase telecommunications services?

A. I was not involved from an agency point of view in those kinds of conferences. (dep., pp. 22-23)

Petitioner's view that from the time it commenced providing banking services, namely, electronic funds transfer, it has been engaged in the telecommunications business, with all the technological developments and added capabilities as an expansion of those original telecommunication services is simply not supported in this record. To the contrary, this record shows that the "telecommunication services" to which petitioner refers are simply ordinary and necessary adjuncts of providing its banking and financial services. That is, petitioner is merely using telecommunications as a tool in performing its function (banking services such as electronic funds transfer, automated teller machine transactions, and the like). The record shows that petitioner utilizes telecommunications and, in fact, leases telephone lines from AT&T and Bell Atlantic in order to provide its various banking and financial services, but this record does not establish that petitioner separately offers telecommunications services.

In today's electronic world, virtually all businesses utilize some form of "telecommunications" in order to conduct whatever business they are in; but that does not put them in the telecommunications business. See *Electronic Data Systems Corp. v. EDSA Micro Corp.*, 23 USPQ2d supra at 1463; and *Itel Corp. v. Ainslie*, 8 USPQ2d 1168 (TTAB 1988).

Specifically, petitioner has not established by a preponderance of evidence that it truly offers a telecommunications service separate from its banking and financial services relating to electronic funds transfer, automated teller machines, point of sale data transmission, and the like. Rather, the record indicates that petitioner's asserted telecommunications services are simply the means by which petitioner offers and provides its various banking and financial services. Petitioner has not established the relatedness of the involved services, or that purchasers and/or users of its banking and financial services would likely be confused by the concurrent use of the involved marks by the respective parties on their respective goods and services.

Simply put, petitioner and respondent are not in the same business, and the fact that petitioner utilizes a

communications network to provide its banking and financial services does not put petitioner in the telecommunications business. Data transfer over telephone lines may technically be a form of "telecommunications," in the broadest possible sense of that word. Nonetheless, based on the record before us we find that the parties' respective services are non-competing and are not closely related in a commercially significant manner within the meaning of the Trademark Act.

Petitioner's discovery testimony shows that petitioner advertises its goods and services to current members or potential member banking and financial institutions through a direct sales force, direct mailings, and participation in trade shows in the relevant industry. Whereas, respondent offers its telephone services to the general public. Even if the bank's purchasing agent or board of directors who make the decision to sign the bank up for petitioner's services also purchased respondent's telecommunication services, we simply do not see significant overlap in the trade channels, based on this record. The parties, as acknowledged by petitioner, do not compete in the marketplace. (See e.g., O'Connor dep., pp. 132, 196.)

Moreover, petitioner has not established that telecommunication services are a natural expansion of the services for which it has shown priority, that is, certain banking and financial services, such as electronic funds transfer services set forth in the registration. In this consolidated case, petitioner's own discovery testimony is vague and ambiguous on this matter. For example, Richard G. Lyons, Jr., executive vice president and COO of Internet, Inc., testified as follows:

Q. The mark MOST, how does it identify telecommunication services?

A. Well, I can only say that a great majority of these services and programs that we provide with the MOST brand are dependent upon the utilization of telecommunications, so they are a very core part of everything we do. (pp. 37-38)

Q. Is Internet in the business of offering phone service?

A. Well, that's an interesting question because we have lots of services that are phone like or utilize certainly significant telecommunications capabilities. (p. 35)

While there is no question that petitioner utilizes "telecommunications" (e.g., leases telephone lines) in order to provide its various banking and financial services to its member financial institutions,

nonetheless, the record does not establish that telecommunications services are a "natural expansion" of banking and financial services, such as electronic funds transfer and automated teller machine transactions. See *SBS Products Inc. v. Sterling Plastic & Rubber Products Inc.*, 8 USPQ2d 1147 (TTAB 1988). To the contrary, petitioner has shown only that it utilizes telephone lines in order to render its various banking and financial services. Simply put, this record does not establish petitioner's claim of rights based on "natural expansion." See *Electronic Data Systems Corp. v. EDSA Micro Corp.*, 23 USPQ2d 1460, 1463-1464 (TTAB 1992).

Regarding the du Pont factor on the conditions of sale and class of purchasers, this factor in the likelihood of confusion analysis is not limited to strictly purchasers. (See the 1962 amendments to the Trademark Act, explicitly deleting the term "purchasers" therefrom.) Courts have recognized non-purchaser confusion. See *Payless Shoesource Inc. v. Reebok International Ltd.*, 998 F.2d 985, 27 USPQ2d 1516, 1519 (Fed. Cir. 1993). Here it is clear that respondent's services are offered to the general public. While petitioner's services are only sold to sophisticated consumers in the form of banks and other financial

institutions (see O'Connor dep., pp. 123-124), its services are ultimately available, through those banks and financial institutions, to the general public. See *Electronic Design & Sales Inc. v. Electronic Data Systems Corp.*, 954 F.2d 713, 21 USPQ2d 1388, 1391-1392 (Fed. Cir. 1992). Thus, the general public must be considered the ultimate user of respondent's services and some of petitioner's services.

Even given the above regarding the ultimate users of some of petitioner's services, we point out that petitioner's banking services, and respondent's telecommunications services are not impulse purchases. As petitioner acknowledges in its brief (p. 47), its services are purchased by banks and financial institutions through a contractual agreement. Further, consumers choose their telephone service with some degree of care. Choosing a bank, credit union or other financial institution and choosing a telephone company (for home and/or business) involves one's financial well being, monthly billing and/or monthly statements. Consumers will not engage in such decisions lightly. These are not low priced or impulse purchases or uses by the general public. See *Recot, Inc. v. M.C. Becton*, 214

F.3d 1322, 54 USPQ2d 1894, 1899 (Fed. Cir. 2000). We find that this factor favors respondent.

Turning to the du Pont factor of the fame of the prior mark, petitioner's argument in its brief (p. 47) on that point reads in its entirety as follows:

The subject mark of [petitioner],
"MOST" has been in use since 1982 and
has achieved 90% market recognitions.
[Respondent's] first use of the mark
"THE MOST" was in 1992.

The fact that a mark has been used for many years does not establish that it has achieved fame in the marketplace. With regard to petitioner's reference to 90% market recognition, this refers to some "awareness attitude and tracking" studies done on an annual basis with reports to petitioner on the results thereof, covering a number of different areas. These reports were derived from telephone questionnaires, and we will not analyze the design, methodology, implementation, interpretation and analysis of these reports. Suffice it to say that the discovery testimony of Ms. Kilby on these reports was not sufficient to clearly establish the usefulness of these studies in our likelihood of confusion analysis herein. She specifically testified that these reports were internally ordered brand awareness studies, with no component relating to

likelihood of confusion. (See, e.g., Kilby dep., pp. 38-39.)

We note that respondent stated in its brief (p. 25) that "[petitioner] has not made any serious claim of fame for its mark," which was confirmed by petitioner's attorney at the oral hearing. Moreover, its reply brief petitioner did not rebut respondent's above-quoted statement.

In any event, this record does not support a finding of fame of petitioner's registered marks. Even if petitioner's registered marks were found to be famous, in this situation, respondent's THE MOST mark has also certainly achieved some degree of renown in its market, as shown by the high volume of sales (into the hundreds of millions of dollars) and advertising expenditures (into the tens of millions of dollars). See *Marshall Field & Co. v. Mrs. Fields Cookies*, 25 USPQ2d 1321, 1332 (TTAB 1992).

With regard to the du Pont factor of the number and nature of similar marks in use on similar goods or services, the parties agree that there is no evidence in the record on this factor. See petitioner's brief, pp. 48-49, and respondent's brief, p. 25.

Regarding the du Pont factor relating to the nature and extent of any instances of actual confusion, there have been no instances of actual confusion by consumers. While David O'Connor testified that when Sprint's ads for THE MOST telephone/telecommunications services first appeared on television he was confused, and possibly his wife and "other people in his household" were also confused, he clearly testified that he was aware of no instances of actual confusion from consumers. (O'Connor dep., pp. 185-188.)

Mary Addis Kilby also testified that "personally, anecdotally," and "in social settings" people would sometimes ask what she may have to do with THE MOST advertised on television by Candace Bergen; but she specifically testified that she has had no actual confusion incidents reported to her as a vice president of petitioner, and she is not aware of any reported to any other officer or employee of petitioner. (Kilby dep., pp. 39-40.) The discovery testimony of Richard Lyons also showed that upon seeing respondent's initial advertisements for THE MOST he was confused (although he realized by the end of the advertisement that it was not petitioner), and that he knows of no instances of actual

confusion by consumers. (See Lyons dep., pp. 32-33.)
This factor favors respondent.

Turning to the du Pont factor of length of time during and conditions under which there has been concurrent use without evidence of actual confusion, petitioner acknowledges that the discovery testimony evidence (taken in 1994-1995) shows that there has been no actual confusion despite three years of concurrent use, but pointing out that respondent discontinued advertising its mark THE MOST in 1994.²¹ Respondent agrees that at the time of trial there had been three years of concurrent use without any actual confusion. (Respondent's attorney stated in the brief that by then there were nine years of use without any actual confusion.)

The record shows that respondent offers its services nationwide, with hundreds of thousands of customers, and petitioner offers its services especially in the mid-Atlantic and some Southern states, with some nationwide retailers. There has been extensive use by both parties of their marks, and the opportunity for actual confusion

²¹ As noted previously on page 17 of this decision, Paul Golden testified that respondent only "temporarily discontinued" advertising THE MOST while it launched other products. There is no evidence that respondent discontinued use of the mark, and,

has been real, yet there have been no reported instances of actual confusion. We find this factor favors respondent.

With regard to the du Pont factor of the variety of goods or services on which a mark is or is not used (house mark, family mark, product mark), respondent's argument that it uses the mark SPRINT as a house mark is irrelevant herein where its involved registered and applied for marks do not include the house mark SPRINT. Thus, the evidence of record on this point is irrelevant, and this factor plays no part in our decision.

The du Pont factor of the extent of potential confusion (de minimis or substantial) weighs in respondent's favor because the nature of the parties' respective services, the channels of trade, and the sophistication of the purchasers of petitioner's services reduces the extent of potential confusion. This is especially true in light of three years of concurrent use with no actual confusion.

Finally, under the du Pont factor of "any other established fact probative of the effect of use" petitioner argues that respondent ignored its duty to select a mark different from one known to be in use, and

of course, this record is generally devoid of information after

in fact, respondent used the same advertising agency (J. Walter Thompson Advertising Agency) to develop its mark THE MOST which petitioner had previously used to develop its mark MOST.

Respondent contends that its involved marks were developed for use in connection with its telecommunications services; that thorough searches were made; and that the marks were adopted based on studied assumptions and understandings that there was not a likelihood of confusion with MOST for banking and financial services.

The record in these consolidated cases on this factor (as with the other factors generally) is vague on petitioner's part and is contradicted by respondent's witnesses at their discovery testimonies. The fact that both parties ultimately used the same advertising agency to develop their marks--petitioner for banking and financial services, and later respondent for telecommunications services is simply not sufficient to find this factor weighs in petitioner's favor.

In summary, in balancing the relevant du Pont factors [e.g., similarity or dissimilarity of the marks, similarity or dissimilarity and nature of the

goods/services, similarity or dissimilarity of the channels of trade, conditions under which and buyers to whom sales are made (i.e., sophistication of purchasers, cost of goods/services), fame of the prior mark, the nature and extent of any actual confusion, and the length of time during and the conditions under which there has been concurrent use without evidence of actual confusion], we conclude that confusion is not likely.²²

Decision: The petition to cancel is denied, and the opposition is dismissed.

²² Petitioner's argument (e.g., brief, pp. 23-24) that respondent admitted that there is a likelihood of confusion (Golden dep., p. 50) is contradicted by a full reading of the involved testimony (e.g., Golden dep., pp. 49-50 and 109-111).